

HOUSE JOINT MEMORIAL 55

49TH LEGISLATURE - STATE OF NEW MEXICO - SECOND SESSION, 2010

INTRODUCED BY

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A JOINT MEMORIAL

REQUESTING THE PUBLIC EMPLOYEES RETIREMENT ASSOCIATION AND THE ADMINISTRATIVE OFFICE OF THE COURTS TO STUDY THE ACTUARIAL SOUNDNESS OF THE JUDICIAL RETIREMENT FUND AND MAGISTRATE RETIREMENT FUND AND TO PREPARE A SOLVENCY PLAN FOR THE JUDICIAL RETIREMENT FUND AND MAGISTRATE RETIREMENT FUND.

WHEREAS, the basic financial objective of the public employees retirement association is to ensure that statutory employee and employer contributions, when combined with present assets and future investment returns, will be sufficient to meet the present and future financial obligations of the association; and

WHEREAS, the primary source of funding for the statutory obligations of the judicial retirement fund and the magistrate retirement fund is district, metropolitan and magistrate civil

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1 case docket and jury fees while the statutory obligations of
2 the judicial retirement fund and the magistrate retirement fund
3 are pension benefits directly related to payroll; and

4 WHEREAS, the current statutory contribution rates in
5 combination with court fees are insufficient to amortize the
6 unfunded actuarial accrued liability of both the judicial
7 retirement fund and the magistrate retirement fund; and

8 WHEREAS, in the absence of significant investment and
9 experience gains, the funded condition of both the judicial
10 retirement fund and the magistrate retirement fund will
11 continue to deteriorate unless the statutory contribution
12 structure is addressed; and

13 WHEREAS, as of June 30, 2009, there has been a decrease in
14 the funding status of both the judicial and the magistrate
15 retirement plans; and

16 WHEREAS, the legislature recognizes the urgency of taking
17 immediate steps to mitigate further deterioration of the funded
18 status of the judicial retirement fund and the magistrate
19 retirement fund;

20 NOW, THEREFORE, BE IT RESOLVED BY THE LEGISLATURE OF THE
21 STATE OF NEW MEXICO that the public employees retirement
22 association, with the administrative office of the courts, be
23 requested to study the feasibility of converting the judicial
24 retirement system and the magistrate retirement system to
25 actuarially sound, salary-based retirement systems, emphasizing

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1 statutory employee and employer contributions, and to provide a
2 plan and an analysis that includes appropriate contribution
3 levels, retirement eligibility, the feasibility of merging the
4 plans and other actuarial issues that may arise during the
5 study; and

6 BE IT FURTHER RESOLVED that the public employees
7 retirement association and the administrative office of the
8 courts present the findings of their study to the interim
9 investments oversight committee no later than November 1, 2010;
10 and

11 BE IT FURTHER RESOLVED that copies of this memorial be
12 transmitted to the executive director of the public employees
13 retirement association, the executive director of the
14 administrative office of the courts and the governor.

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